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SUBJECT: AMBASSADOR SCHULTE OUTLINES IN CHILE USG NUCLEAR
PROLIFERATION CONCERNS

Summary

¶1. (U) U.S. Ambassador to the IAEA Schulte October 14-16 reviewed with Chilean audiences Iran's ongoing failure to cooperate with the IAEA; USG and IAEA assessments of Tehran's attempts to develop nuclear weapons; and, the dual-track international effort to either bring Iran to the negotiating table or, in the alternative, impose sanctions. Schulte also described IAEA's response to Syria's efforts to build a nuclear facility, with the assistance of North Korea, in violation of Syria's IAEA safeguards agreement. End summary.

¶2. (U) Ambassador Greg Schulte, U.S. Ambassador to International Organizations in Vienna, including the International Atomic Energy Agency (IAEA), stopped in Santiago October 14 -16, 2008, as part of a regional visit to Chile, Argentina and Brazil. The primary purposes of Ambassador Schulte's visit were bilateral consultations and public diplomacy on the Iran nuclear issue. Ambassador Simons joined Ambassador Schulte in several meetings. E/Pol officer accompanied Ambassador Schulte throughout his visit. Septel covers Ambassador Schulte's discussions on the IAEA's oversight role in regulating development of nuclear power facilities, regional energy concerns, as well as Chile's domestic energy crisis and its potential interest in developing nuclear energy.

Chile Understands the Threat in Iran

¶3. (SBU) At an October 15 breakfast hosted by Ambassador Simons, bringing together several Chilean energy experts to discuss a wide variety of topics (septel), MFA's Deputy Director in the Office of International Security, Matias Undurraga, highlighted Chile's stance against Iran's position on nuclear power during the U.N. Non-Aligned Movement (NAM) meeting in Tehran [Note: Presumably a reference to Chile not joining in the July 2008 announcement that more than 100 non-aligned nations backed Iran's right to pursue nuclear power, an endorsement sought by Tehran in its standoff with the U.N. Security Council over its refusal to freeze uranium enrichment. End note.] Undurraga noted as well Chile's concern over Chavez's relationship with Iran. Schulte replied it is helpful when countries such as Chile condemn Iran's enrichment program to avoid a race for nuclear technology in the Middle East and to ensure that Iran cannot just dismiss concerns as part of a U.S.-Iran fight.

¶4. (SBU) When Lucia Dammert, Director of the Latin America Faculty of Social Science's (FLSACO) Security and Citizenship Program, observed that a benefit of the current global economic crisis was decreased oil revenues for Chavez, Schulte noted the impact is even stronger in Tehran and sanctions are having an impact in the form of

increased debate and unrest within Iran.

15. (SBU) At a meeting at La Moneda (the presidential palace) later that day, Marcos Robledo, Presidential Advisor on Foreign and Defense Policy, listened attentively to Ambassador Schulte's review of the issues with Iran and Syria. (Robledo and Schulte also discussed the IAEA's role in helping countries make decisions on use and development of nuclear energy, and the proposal for a nuclear fuel bank - septel). Robledo said his office is in close contact with Chile's Resident Representative (and Chair of the IAEA Board of Governors for 2007-2008) Ambassador Milenko Skoknic. Robledo suggested the NAM has become weaker in the past few years due to increasingly complex political dynamics. Chile is committed to non-proliferation goals but will weigh regional concerns, including its relationship with Venezuela and other countries, when making decisions regarding Iran. On Syria, Robledo indicated Chile's preference to wait for the IAEA Secretary General's report to determine if Syria violated international law.

MFA Supports Non-Proliferation and Disarmament

16. (SBU) At the MFA, Ambassador Schulte met with Director of Special Policies Ambassador Juan Eduardo Eguiguren and Undurraga. Schulte reviewed concerns with Iran and Syria and expressed his appreciation for Chile's support at the IAEA. Eguiguren worried about Syria's lack of cooperation concerning site inspection. Eguiguren served in Damascus and noted the Ba'ath Party's secretive nature can be detrimental to Syria's interests; Damascus "must recognize there are consequences for its actions." Ambassador Schulte pointed out construction of the facility probably started in 2000 and the decision to construct it may have been made by Hafez al-Asad, who died that year and was succeeded by his son Bashar. Eguiguren agreed Bashar al-Asad might not be totally aware of the project and suggested France was a good interlocutor to engage with Syria.

17. (SBU) Eguiguren said Iran knows that the international community is following its activities and expressed optimism that Iranian elections might bring new leadership. Ambassador Schulte praised Chile's role in the NAM, but noted concern that Iran is rapidly gaining technical expertise. Eguiguren lamented difficulties operating in the NAM as a single country and said it is not always possible to bring the group together because if an issue is not counter to a country's policy some will not bother to oppose it. The ambassadors discussed Iran's use of the NAM to prove that it is not isolated. Discussion of IAEA functions reported septel.

Military Analysts Views on Iran's Nuclear Program

18. (SBU) Ambassador Schulte also met with several academics and analysts working on non-proliferation from a military standpoint. The group included: Col. Jorge Pena, Associate Professor and Head Department of Military History, Strategy and Geopolitics at of Chilean War College, Ricardo Neeb, Professor at Pontificia Universidad Catolica and Non-Proliferation Analyst for Ministry of Interior, retired General Alvaro Guzman, Nuclear Engineer from Centro de Estudios Nucleares del Ejercito (CENE), a military think tank. On the issue of trade sanctions, Neeb pointed out Chile's relative distance from Iran and that the GOC is more concerned about proliferation in general. He asked whether, if Iran did not change its posture due to sanctions, the U.S. was still considering other options. Schulte assured Neeb diplomacy is a preferred first option, but noted the current administration and both presidential candidates have taken a tough stance on Iran that includes all options and that Israel would be compelled to consider all options if threatened.

Nuclear Energy Commission Asks Tough Technical Questions

19. (SBU) In contrast with other meetings, discussion during the working lunch with representatives of Chile's Nuclear Energy Commission (Comision Chilena de Energia Nuclear - CChEN), was more technical. After a brief introduction by CChEN Director Lopez, Ambassador Schulte launched into his presentation on Iran and Syria. He was interrupted by Board of Director member Dr. Julio Vergara, who asked about the reliability of U.S. intelligence on Iran, and explained that the U.S. is only one of ten countries providing information to the IAEA on Iran. Vergara agreed with Ambassador Schulte that Iran's uranium enrichment does not make sense in the

absence of nuclear reactors in the country.

¶10. (SBU) Board members asked a number of questions about the Syrian facility that was destroyed, including whether the U.N. Security Council (UNSC) had been informed about it. Ambassador Schulte explained that the UNSC would likely be informed after the IAEA Secretary General's written report is released in November.

Influential Senator Supports Position Against Iran

¶11. (SBU) Senator Jaime Gazmuri, Head of the Chilean Senate's International Relations Commission, assured Schulte Chile shares similar views on Iran and Syria, but questioned why the U.S. does not have similar concerns about Israel proliferating nuclear technology. The Ambassador noted that Pakistan, India and Israel have not signed the NPT and that Israel maintains it will not be first in the Middle East to "introduce" nuclear weapons. He further elaborated that there is little concern in the region about Israel using offensive nuclear weapons, but there is concern that having nuclear weapons capability will make Iran more aggressive. When he pointed out the need to be realistic about a nuclear-free zone in the Middle East because Israel will not give up while Iran is seeking a nuclear capability, the Senator countered that the reverse is also true.

¶12. (SBU) In response to Gazmuri's questions about how to move past the seeming impasse, Ambassador Schulte expressed several reasons why Iran might seek nuclear weapons: prestige, security and domination (regional homogeny). He explained that rather than allowing Iran to use Israel to change the subject, there is a need to use diplomacy to convince Iran that it gains prestige by negotiating, security through improved relations and that pursuing nuclear weapons is counter-productive. Gazmuri agreed, but also commented "but if my enemy has the bomb, then I need the bomb" and said a different relationship is needed with Iran, but depends on Iran's leader, e.g., Khatemi.

Schulte Wins Tough Competition for Media's Attention

¶13. (U) Ambassador Schulte held a press roundtable that included five journalists from major press outlets and more specialized publications. Despite having to compete with news of Chile's first-ever soccer victory over Argentina and the U.S. Presidential debate, his visit got good press coverage. La Nacion, a government-owned, editorially independent paper (circulation 4,200), wrote that Ambassador Greg Schulte at the IAEA said Iran must comply with all United Nations resolutions and end its uranium enrichment program. It also quoted him as saying Iran could have "highly enriched uranium for a nuclear weapon by 2010," and added that the United States is trying to encourage Iran to cooperate through a combination of negotiations, strong sanctions, and isolation.

¶14. (U) On October 17, El Mercurio, a conservative, influential newspaper-of-record (circulation 129,000) highlighted Schulte's trip to the region "to inform the government officials and experts of Iran's nuclear program and garner diplomatic support to exert more pressure on the Iranian government and that Iran will have enough enriched uranium and the technology to manufacture nuclear weapons by 2010." In addition to outlining the dual-track strategy for engaging Iran, El Mercurio noted that Schulte explained the progress in Iran's nuclear plans, labeling the situation "dangerous and worrisome for global peace and stability."

¶15. (U) Ambassador Schulte's media roundtable is viewable in its entirety on the Santiago web site.

Comment

¶16. (U) Ambassador Schulte's visit provided opportunities to engage influential Chileans on both nuclear non-proliferation and nuclear energy issues. The visit got good press coverage and the bilateral meetings provided a chance to clarify the IAEA and U.S. position on Iran's pursuit of nuclear technology and to address Chile's specific concerns about rights of access to nuclear technology. End comment.

¶17. (U) Ambassador Schulte did not clear this message.

